

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

Marhaba Partners Limited Partnership

Petition Date: 1/5/2010
CASE NUMBER: 10-30227-H5-11

MONTHLY OPERATING REPORT SUMMARY FOR N MONTH : FEBRUARY**YEAR: 2010**

MONTH						
REVENUES (MOR-6)	\$	59,316				
INCOME BEFORE INT. DEPREC./TAX (MOR-6)						
NET INCOME (LOSS) (MOR-6)	\$	31,796				
PAYMENTS TO INSIDERS (MOR-9)						
PAYMENTS TO PROFESSIONALS (MOR-9)						
TOTAL DISBURSEMENTS (MOR-7)	\$	27,611				

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE		EXP. DATE		
See attachment 2				
Casualty	yes	—	—	—
Liability	yes	—	—	—
Vehicle	yes	—	—	—
Workers' Compensation	no	—	—	—
Other: Flood	no	—	—	—

Are all accounts receivable being collected within terms? No
 Are all post-petition liabilities, including taxes, being paid with terms? No
 Have any prepetition liabilities been paid? Yes
 Are all funds received being deposited into DIP bank accounts? Yes
 Were any assets disposed of outside the normal court of business? No
 If so, describe _____
 Are all U.S. Trustee Quarterly Fee Payments current? N/A
 What is the status of your Plan of Reorganization? Pending

ATTORNEY NAME: Elizabeth C. Freeman
 FIRM: Porter & Hedges, L.L.P.
 ADDRESS: 1000 Main Street
 ADDRESS: 36th Floor
 CITY, STATE ZIP: Houston, TX 77002
 TELEPHONE: 713-226-6000

I certify under penalty of perjury that the following complete
 Monthly Operating Report (MOR), consisting of MOR-1 through
 MOR-9 plus attachments, is true and correct.

Signed

David Luyck
 (ORIGINAL SIGNATURE)

Title

manager

MOR-1

##

February MOR (2)

Marhaba Partners Limited Partnership

Case Number:

10-30227-H5-11

SUMMARY OF COVERAGES

<u>No.</u>	<u>Type of Insurance</u>	<u>Amounts/Limits</u>	<u>Insurance Co.</u>	<u>Term</u>	<u>Expire</u>	<u>Annual Premium</u>
1	Commercial Liability	\$2,000,000	Century Surety	1 yr	4/24/2010	\$8,923.65
2	Commercial Liability	\$2,000,000	Century Surety	1 yr	4/24/2010	\$15,083.97
3	Commercial Liability	\$2,000,000	Century Surety	1 yr	1/7/2011	\$1,985.55
4	Automobile	\$300,000	State Farm	6m	6/19/2010	\$1,199.66
5						
6						
7						
8						
9						

MOR-1 ATTACHMENT 2

MarhabaPartners Limited Partnership
10-30227-H5-11

Comparative Balance Sheet
(Unaudited)

	Filing Date ⁽¹⁾				
ASSETS	01/01/10	02/28/10			
Current Assets:					
Total Cash	\$118,959.82	\$139,734.82			
Accounts Receivable					
Unpaid Rent	\$6,261	\$225			
Reimbursable Expenses	\$11,700,000	\$11,700,000			
Note Receivable from insider	\$275,000	\$275,000			
Net Accounts Receivable		11,975,225			
	\$11,981,261				
Prepaid Expenses and Other Current Assets					
Porter & Hedges (retainer)		\$50,000			
Escrow funds	\$50,000	\$87,764.61			
	\$87,764.61				
Total Prepaid Expenses and Other Current Assets		\$137,765			
	\$137,765				
TOTAL CURRENT ASSETS		\$12,252,724.82			
	12,231,724.43				
Real estate		\$190,000,743			
Automobile	\$190,000,743	\$100,000			
	\$100,000				
Net Property, Plant and Equipment	\$190,100,743	\$190,100,743			
Other Assets	-				
Total Other Assets	-				
TOTAL ASSETS	\$202,282,467.43	\$2,024,933,201			

MOR 2

Marhaba Partners Limited Partnership
Case No. 10-30227

**Comparative Balance Sheet
(Unaudited)**

	Filing Date ⁽¹⁾ 01/05/10	02/28/10	Filing to Date
LIABILITIES AND SHAREHOLDERS' EQUITY			
Post-Petition liabilities (MOR-4)	379,227	701,366	\$ 379,227
Pre-Petition liabilities:			
Accounts Payable:	957,755	957,775	957,755
Total Accounts Payable	957,755	957,775	957,755
Accrued Expenses and Other			
TOTAL CURRENT LIABILITIES	1,336,982	1,659,141	1,659,141
Notes Payable	69,447,354	69,447,354	69,447,354
Total Notes Payable	69,447,354	69,447,354	69,447,354
TOTAL LIABILITIES	70,784,336	71,106,495	71,106,495
Shareholders' Equity	131,877,359	131,543,318	131,543,318
Total Shareholders' Equity	131,877,359	131,543,318	131,543,318
Shareholders' equity:	131,877,359	131,543,318	131,543,318
Total Shareholders' Equity	131,877,359	131,543,318	131,543,318
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 202,661,695	\$ 202,649,813	\$ 202,649,813

Marhaba Partners Limited Partnership
10-30227-H5-11

SCHEDULE OF POST-PETITION LIABILITIES

	January 2010	February 2010	Total
TRADE ACCOUNTS PAYABLE			\$0.00
TAX PAYABLE:			\$0.00
TOTAL TAXES PAYABLE			\$0.00
SECURED DEBT POST-PETITION			
ACCRUED INTEREST PAYABLE	344,041	688,082	1,032,123
ACCRUED PROFESSIONAL FEES*:	35,236	13,284	48,520
OTHER ACCRUED LIABILITIES:			
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$ 379,277	\$ 701,366	\$ 1,080,643

*Payment Requires Court Approval

MOR-4

CASE NAME:

Marhaba Partners Limited Partnership

CASE NUMBER:**10-30227-H5-11****AGING OF POST-PETITION LIABILITIES**Month February

DAYS	TOTAL					
0-30						
31-60	69,402,847					
61-90						
91 +						
TOTAL	\$ 69,402,847					

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30						
31-60	11,975,000					
61+						
TOTAL	\$ 11,975,000					

MOR-5

Marhaba Partners Limited Partnership
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STATEMENT OF INCOME (LOSS) - UNAUDITED

MONTH	Filing Date (1)			Filing to Date
	01/05/10	02/28/10		
REVENUES (MOR-1)	\$60,559.34	\$60,559.34		\$121,118.68
TOTAL COST OF REVENUES				
GROSS PROFIT				
OPERATING EXPENSES:	\$39,784.09	\$39,784.09		\$79,568.18
Other (attach list)				
TOTAL OPERATING EXPENSE	\$39,784.09	\$39,784.09		\$79,568.18
INCOME BEFORE INT. DEPR/TAX (MOR-1)	\$20,775.25	\$20,775.25		\$41,550.50
INTEREST EXPENSE (includes amort of debt fees)				
DEPRECIATION				
OTHER (INCOME) EXPENSES*				
OTHER ITEMS**)				
TOTAL INT., DEPR & OTHER ITEMS				
NET INCOME BEFORE TAXES				
FEDERAL INCOME TAXES				
NET INCOME (LOSS) (MOR-1)	\$20,775.25	\$20,775.25		\$41,550.50

Accrual Accounting Required, Otherwise Footnote With Explanation

* Footnote Mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business; requires footnote

CASE NAME:

				Filing to Date
OTHER				
				\$ -
				-
				-
				-
				-
TOTAL OTHER ITEMS				\$ -

MOR-6 Attachment

CASE NAME:

Marhaba Partners Limited Partnership

CASE NUMBER:

10-30227-H5-11

CASH RECEIPTS AND DISBURSEMENTS	Filing Date ⁽¹⁾ 01/05/10	02/28/10	FILING TO DATE
1. CASH-BEGINNING OF MONTH	118,960	106,661	
RECEIPTS:			
2. CASH SALES			
3. COLLECTION OF ACCOUNTS RECEIVABLE	60,559	59,316	119,875
4. SALE OF ASSETS			-
5. LOANS & ADVANCES (attach list)			-
6. OTHER (attach list)			-
TOTAL RECEIPTS	60,559	59,316	119,875
(Withdrawal)Contribution by Individual Debtor MFR-2*			-
DISBURSEMENTS:			
7. NET PAYROLL	3,325	3,400	6,725
8. PAYROLL TAXES PAID			-
9. SALES, USE & OTHER TAXES PAID			-
10. SECURED/RENTAL/LEASES			-
11. UTILITIES	16,171	7,841	24,012
12. INSURANCE	2,018		2,018
13. INVENTORY PURCHASES			-
14. VEHICLE EXPENSES			-
15. TRAVEL & ENTERTAINMENT			-
16. REPAIRS, MAINTENANCE & SUPPLIES	12,021	10,521	22,542
17. ADMINISTRATIVE & SELLING	6,249	5,849	12,098
18. OTHER (attach list)			-
TOTAL DISBURSEMENTS FROM OPERATIONS	39,784	27,611	67,396
19. PROFESSIONAL FEES			-
20. U.S. TRUSTEE FEES			-
21. OTHER REORGANIZATION EXPENSES (attach list)			-
TOTAL DISBURSEMENTS	39,784	27,611	67,395
22. NET CASH FLOW	20,775	31,796	52,571
23. CASH - END OF MONTH (MOR-2)			-

MOR-7

CASE NAME:

CASE NUMBER:

OTHER CASH RECEIPTS AND DISBURSEMENTS:						FILING TO DATE
6. OTHER RECEIPTS:						
Interest Income						-
Principal Settlement Income						-
Intercompany Transfers						-
Refund						-
Void Checks						-
Miscellaneous						-
Insurance Proceeds						-
						-
						-
TOTAL OTHER RECEIPTS						-
18. OTHER DISBURSEMENTS:						
Storage Expense						-
Security						-
Contract Labor						-
Intercompany Transfers						-
Miscellaneous						-
Reimbursement						-
Purchase fixed assets						-
TOTAL OTHER DISBURSEMENTS						-

MOR-7 Attachment

Marhaba Partners Limited Partnership
10-30227-H5-11

CASH ACCOUNT RECONCILIATION
MONTH OF
february

BANK NAME	Bank Of Houston	Bank Of Houston							
ACCOUNT NUMBER	25767	1867							
ACCOUNT TYPE	checking	checking							
BANK BALANCE	\$ 50,672	\$ 2,966							
DEPOSIT IN TRANSIT									
OUTSTANDING CHECKS/OTHER									
ADJUSTED BANK BALANCE									
BEGINNING CASH - PER BOOKS	\$ 10,617	\$4,359.13							
RECEIPTS	\$49,815.60	200							
TRANSFERS BETWEEN ACCOUNTS									
CHECKS/OTHER DISBURSEMENTS	9,761	1,594							
ENDING CASH - PER BOOKS	\$ 50,672	\$ 2,966							

MOR-8

Marhaba Partners Limited Partnership
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PAYMENT TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders identify the type of compensation paid (e.g. salary, commission, bonus, etc.) (Attach additional pages as necessary.)

INSIDERS: NAME/POSITION/COMP TYPE	Filing Date ⁽¹⁾					
	01/05/10	02/28/10				
1.						
2.						
3						
4						
TOTAL INSIDERS (MOR-1)	\$ -					

PROFESSIONALS NAME/ORDER DATE						
1. Porter and Hedges	\$ -	\$ -				
TOTAL PROFESSIONALS (MOR-1)	\$ -	\$ -				

MOR-9

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Operating Report were served by United States mail, first class, postage prepaid, on the 20th day of April 2010, on the following:

U.S. Trustee

Office of the United States Trustee
515 Rusk, Room 3516
Houston, TX 77002

/s/ Elizabeth C. Freeman

Elizabeth C. Freeman